

Patrick D. Hedren

Vice President

Labor, Legal and Regulatory Policy

Linda Dempsey

Vice President

International Economic Affairs

August 17, 2018

Postal Regulatory Commission
901 New York Ave. NW, #200
Washington, DC 20268-0001**Re: Comments to Docket No. RM2018-2, Notice of Proposed Rulemaking to Revise the Periodic Reporting Requirements**

Thank you for the opportunity to comment on this important matter. The National Association of Manufacturers (NAM) is the largest manufacturing trade association in the United States, representing over 14,000 manufacturers small and large in every industrial sector and in all 50 states. Manufacturing employs more than 12 million women and men across the country, contributing more than \$2.25 trillion to the U.S. economy annually.

Among several technical changes in the proposed rule, the Commission proposes to collect data from the U.S. Postal Service (USPS) on Inbound Letter Post revenue, volume, attributable cost, and contribution data on a regular basis rather than by periodic special request. Collecting longitudinal data would allow the Commission to draw meaningful inferences from trends in global postal traffic and to spot the nature and severity of problems with regard to net-losses incurred by USPS that stem from providing delivery services to foreign shippers.

To-date, USPS has fought any disclosure of Inbound Letter Post data, claiming it would make public key competitive information and that it would highlight the disproportionate contribution of inbound Chinese packets to the rapidly accumulating net-losses in this product category on the USPS balance sheet.¹ The NAM and others have vehemently opposed these attempts to hide data from the public with regard to Inbound Letter Post. The Universal Postal Union “terminal dues” system is prime for abuse by unscrupulous foreign actors, is being abused in fact, and the trajectory for future abuse is both clear and alarming.

The Commission’s proposed changes to annual data collection requirements are a positive step forward for shippers, domestic manufacturers, and the public. It further remains unclear that there is a pressing need to maintain below-market prices for foreign shippers pursuant to an antiquated and anti-competitive executive agreement for mail pieces entering the country at all. Data may well demonstrate that requiring USPS to justify negotiated service agreements on a country-by-country, or United States-to-country bloc basis per the typical requirements applicable under the Postal Accountability and Enhancement Act of 2006 (PAEA) would create minimal disruption to the global postal interchange system.

The public interest in requiring routine data disclosure for Inbound Letter Post is compelling, and the burden to USPS is non-existent. If anything, we encourage the Commission

¹ We note that the Commission and USPS currently do not consider Inbound Letter Post to be a competitive product, but the Commission has opened a separate docket to reconsider that classification for all or part of the category.

to go further in its rulemaking by requiring USPS to disclosure more granular and useful data over time. If the Commission does ultimately determine that inbound packets are competitive products as the Postal Service has argued, this data will become even more useful as a check on clear cross-subsidization from other product categories at the expense of domestic rate payers.

The NAM believes that a strong and financially-sound postal service provides critical benefits to the United States, and in particular to U.S. manufacturers. Our members depend on the USPS to bring their products to market and to support our entire economy. Inbound Letter Post has transformed from an issue of global comity into a serious problem.

On behalf of manufacturers in the United States, we appreciate the opportunity to provide our input on this critically-important issue. Please do not hesitate to reach out to either of us with further questions or comments. We look forward to working with you to reduce the impact of unfair foreign competition and counterfeiting.

Respectfully,



Patrick Hedren
Vice President
Labor, Legal & Regulatory Policy
National Association of Manufacturers



Linda Dempsey
Vice President
International Economic Policy
National Association of Manufacturers